IN THE UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE, TENNESSEE

WORD MUSIC, LLC., a Tennessee Limited Liability company, DAYSPRING MUSIC, LLC, a Tennessee Limited Liability Company, WORDSPRING MUSIC, LLC., a Tennessee Limited Liability company, UNICHAPPELL MUSIC, INC., a Delaware corporation, CHAPPELL & CO., INC., a Delaware corporation, COTILLION MUSIC, INC., a Delaware Corporation, RIGHTSONG MUSIC, INC., a Delaware Corporation, WALDEN MUSIC, INC., a New York Corporation, WARNER/TAMERLANE PUBLISHING CORP., a California corporation, and WB MUSIC CORP., a California corporation,

Plaintiff,

vs.-

PRIDDIS MUSIC, INC., a Nevada corporation,
RICHARD L. PRIDDIS, individually, PROSOUND KARAOKE LTD., a United Kingdom corporation, MEDIOSTREAM, INC., a California corporation, d/b/a "K SUPERSTAR," D.J. MILLER MUSIC DISTRIBUTORS, INC., a Colorado corporation, d/b/a "PROSING," and DALE S. MILLER, Individually

Defendants.

Case No. 3:07-cv-502

JURY DEMAND

Judge Haynes

{PROPOSED}
CASE MANAGEMENT ORDER

I. JURISDICTION AND VENUE

This is an action for copyright infringement arising under the Copyright Act of 1976, 17 U.S.C. §§101 *et seq.* Plaintiffs contend this Court has jurisdiction of this action under 28 U.S.C. §§1331, 1338(a) and 1338(b) and that venue is proper in this District

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under 28 U.S.C. §§1391 and 1400(a) and (b). The PRIDDIS Defendants have recently moved for dismissal based upon the asserted lack of jurisdiction and improper venue; alternatively, Defendants seek a transfer based upon *forum nonconveniens*. Plaintiffs have filed their opposition Memorandum and various Declarations in support of their opposition. The Motion is currently pending.

MEDIOSTREAM filed a currently pending lawsuit in California regarding the same parties, facts and causes of action that are before this court in the instant case. MEDIOSTREAM does not waive any arguments regarding jurisdiction or venue with respect to the Tennessee action.

II. PARTIES' THEORIES OF THE CASE

1. Plaintiff's Theory of the Case

The Plaintiffs, WORD MUSIC, LLC (hereinafter "Plaintiffs"), are music publishers who own and/or administer the music copyrights identified in the Complaint as the "Subject Works." The Defendants, PRIDDIS MUSIC, INC., a Nevada corporation, RICHARD L. PRIDDIS, individually, PROSOUND KARAOKE LTD., a United Kingdom corporation, MEDIOSTREAM, INC., a California corporation, d/b/a "K SUPERSTAR," D.J. MILLER MUSIC DISTRIBUTORS, INC., a Colorado corporation, d/b/a "PROSING," and DALE S. MILLER, Individually, are in the business of manufacturing, distributing, advertising, selling and otherwise commercially exploiting what are known as "karaoke" recordings of musical copyrights. Plaintiffs contend that the Defendants are guilty of infringement and willful infringement of the Plaintiffs' copyrights by virtue (at least) of having made, distributed, advertised and sold unauthorized karaoke recordings of the Plaintiffs' music copyrights. The MEDIOSTREAM Defendants have also infringed the

Plaintiffs' copyrights by using the unauthorized recordings as a foundation for its subscription karaoke website known as "K SUPERSTAR," which also provides advertising for non-parties to this litigation. *All* of the Defendants have infringed Plaintiffs' copyrights by distributing, advertising and selling the unlicensed recordings via interactive internet websites. Plaintiffs also contend the Defendants activities constitute Unfair Competition.

Plaintiffs contend that the Defendants are liable for all of Plaintiffs' actual damages (in the form of lost licensing revenues) as well as any and all profits derived by the Defendants as a result of the unauthorized commercialization of the unlicensed karaoke recordings. Alternatively, the Plaintiffs contend that the Defendants infringing of the Plaintiffs' copyrights constitutes willful copyright infringement to the extent that it is demonstrated the Defendants recklessly utilized the Plaintiffs' copyrights without first obtaining licenses authorizing them to make the various karaoke recordings which they manufactured, distributed, advertised, sold or otherwise commercially exploited. Under either damages remedy, Defendants are liable for Plaintiffs' attorney fees and Court costs.

2. Defendant's Theory of the Case

a.) PRIDDIS DEFENDANTS:

The PRIDDIS Defendants have filed their own separate Proposed Case Management Order.

b.) MILLER DEFENDANTS:

Defendants D.J. MILLER MUSIC DISTRIBUTORS, INC., a Colorado Corporation, d/b/a "PROSING," and DALE S. MILLER, individually, ("MILLER

Defendants") are in the business of distributing Karaoke recordings throughout the United States, via various distributors/outlets. The Miller Defendants are not in the business of manufacturing karaoke recordings.

The MILLER Defendants are merely distributors of karaoke recordings; they reasonably relied on their manufacturers to obtain necessary licenses to the material which the manufacturers sold to D.J. Miller Music Distributors, Inc.; and the MILLER DEFENDANTS are innocent distributors that possessed no knowledge that the subject recordings they have been selling were allegedly unlicensed. To the extent that the defendant manufacturers in this action are found to have infringed, the manufacturers owe the MILLER Defendants an obligation of indemnification, either contractual or equitable.

c.) MEDIOSTREAM, INC. DEFENDANT:

Defendants MEDIOSTREAM, INC., a California Corporation, d/b/a "K SUPERSTAR," ("MEDIOSTREAM") are in the business of distributing Karaoke recordings throughout the United States, via various distributors/outlets. MEDIOSTREAM is not in the business of manufacturing karaoke recordings.

MEDIOSTREAM is merely a distributor of karaoke recordings; it reasonably relied on the manufacturers to obtain necessary licenses for the material which the manufacturers sold to MEDIOSTREAM; and MEDIOSTREAM is an innocent distributor that possessed no knowledge that the subject recordings it has been selling were allegedly unlicensed. To the extent that the defendant manufacturers in this action are found to have infringed, the manufacturers owe MEDIOSTREAM an obligation of indemnification, either contractual or equitable.

III. SCHEDULE OF PRETRIAL PROCEEDINGS

A. Rule 26(a)(1) Disclosure

All parties except the MILLER Defendants shall make their Rule 26(a)(1)(A) through (E) disclosures within (30) days from the date of the initial case management conference. In the event the MILLER Defendants do not settle the claims against them in Mediation, then their Rule 26(a) Initial Disclosures shall be made no later than ten (10) days after the conclusion of the Mediation.

B. Meeting of Counsel and Parties to Discuss Settlement Prospects

The Plaintiffs and the MILLER Defendants have agreed to the entry of a Preliminary Injunction, to execute a written Confidentiality Agreement to provide information to Mediate and to submit the issues between them to formal Mediation in Nashville on or before September 15, 2007. With regard to the remaining Defendants, within Sixty (60) days from the date of the initial case management conference, counsel and clients are required to have a face-to-face meeting to discuss whether this case can be resolved without further discovery proceedings. If a party, other than a natural person, is involved in this litigation, a representative who has the authority to settle shall attend this meeting on behalf of that party. After the meeting is conducted, counsel shall prepare a report and file it with the Court reflecting that the parties met and that the parties made a good faith effort to evaluate the resolution of this case. This report should also include whether the parties believed that one of the Alternative Dispute Resolution (“ADR”) procedures under the Local Rules would further assist the parties in resolving this matter.

C. Other Pretrial Discovery Matters

As determined at the case management conference on **Monday, July 9, 2007,** this action is set for a jury trial on ______________________________ **at 9:00 a.m**. If this action is to be settled, the Law Clerk shall be notified by noon, _____________________________, 2008. If the settlement is reached thereafter resulting in the non-utilization of jurors, the costs of summoning jurors may be taxed to the parties dependent upon the circumstances.

A pretrial conference shall be held on ___________________________, **at 9:00 a.m**. A proposed pretrial order shall be submitted at the pretrial conference.

All discovery shall be completed by the close of business on February 28, 2008. All initial written discovery shall be submitted in sufficient time so that the response shall be in hand by December 1, 2008. No motions related to discovery or for a protective order shall be filed until a discovery/protective order dispute conference has taken place and the attorneys of record shall attend and meet, face-to-face, in an effort to resolve the dispute and a jointly signed discovery/protective order dispute statement is submitted setting forth precisely the remaining issues in dispute and the reasons why those issues remain unresolved. Notwithstanding any of the foregoing, Requests to Admit may be served at ay time up to sixty (60) days before trial.

All dispositive motions[1] shall be filed by the close of business on April 1, 2008 and any response thereto shall be filed by the close of business on May 1, 2008. Any reply shall be filed by the close of business on May 21, 2008.[2]

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[1] No memorandum in support of or in opposition to any motion shall exceed twenty five (25) pages.

[2] Strict compliance is required to LR 56.01, Local Rules of Court (effective June 1, 2006) relating to motions for summary judgment.

Any motion to amend the pleadings or join parties shall be filed in sufficient time to permit any discovery necessary because of the proposed amendment to be obtained within the time for discovery. No amendments will be allowed if to do so will result in a delay in the disposition of the action by requiring an extension of the discovery deadline.

There shall be no stay of discovery pending disposition of any motions.

Interrogatories pursuant to Rule 33, Federal Rules of Civil Procedure, shall be limited to sixty (60) such interrogatories. Subparts of a question shall be counted as additional questions for purposes of the overall number. In all other respects, LR 33.01 (effective June 1, 2006,) shall govern.

By the close of business on January 15, 2008, the plaintiff shall declare to the defendants (not to file with the Court) the identity of his expert witnesses and provide all the information specified in Rule 26(a)(2)(B).

By the close of business on February 15, 2008, the defendants shall declare to the plaintiff (not to file with the Court) the identity of their expert witnesses and provide all the information specified in rule 26(a)(2)(B).

Any supplements to expert reports shall be filed by the close of business on or before ________________2008. There shall not be any rebuttal expert witnesses.

In order to reduce the needless expenditure of time and expense, there shall not be any discovery depositions taken of expert witnesses.

Local Rule 39.01(c)(6)(c) (effective June 1, 2006) relating to expert witnesses shall apply in this action, and strict compliance is required.

It is so **ORDERED**.

ENTERED this the ___ day of July, 2007.

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WILLIAM J. HAYNES, JR.
United States District Judge

APPROVED FOR ENTRY:

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CERTIFICATE OF SERVICE

I hereby certify that service of the foregoing document was made upon the following Filing Users through the Electronic Filing System:

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this ____ day of July, 2007.

s/ Timothy L. Warnock________________